

193424



2006. 286. E/C

June 13, 2008

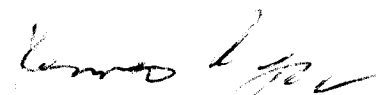
Mr. Charles Terreni
Chief Clerk & Administrator
The Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

RECEIVED
2008 JUN 13 PM 3:19
SC PUBLIC SERVICE
COMMISSION

Dear Mr. Terreni:

Attached are copies of the Quarterly Report for South Carolina Electric & Gas Company Electric Retail, for the twelve months ended March 31, 2008. The certification from the CFO is included. The CEO is out of the office and will sign his Certification upon his returning. It will be forwarded to you as soon as it is signed.

Sincerely,



Kenneth R. Jackson


CW

Attachments

c: John Flitter (ORS)
Jay Jashinsky (ORS)

CERTIFICATION

I, Jimmy E. Addison, state and attest, under penalty of perjury, that the attached Quarterly Report of Retail Electric Operations is filed on behalf of South Carolina Electric & Gas Company as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Signature of Chief Financial Officer

Jimmy E. Addison

Typed or Printed Name of Person Signing

Chief Financial Officer

Title

6/11/08

Date Signed

Subscribed and Sworn to me on this 11th of June,
2008.

Robert E. Long

Notary Public

My Commission Expires: 12-21-14

SC PUBLIC SERVICE
COMMISSION

2008 JUN 13 PM 3:19

RECEIVED

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
RETAIL ELECTRIC
OPERATING EXPERIENCE
TWELVE MONTHS ENDED March 31, 2008**

<u>DESCRIPTION</u>	<u>PER BOOKS ADJ. FOR REGULATORY ORDERS</u> (\$)	<u>ACCOUNTING & PRO FORMA ADJUSTMENTS</u> (\$)	<u>TOTAL AS ADJUSTED</u> (\$)
	COL. A	COL. B	COL. C
<u>OPERATING REVENUES</u>	<u>1,928,770,288</u>	<u>54,900,692</u>	<u>1,983,670,980</u>
<u>OPERATING EXPENSES</u>			
Fuel Costs	656,349,759		656,349,759
Other O&M Expenses	444,931,371	2,961,341	447,892,712
Deprec. & Amort. Expenses	225,843,444	17,369,126	243,212,570
Taxes Other Than Income	124,391,765	7,071,553	131,463,317
Income Taxes	<u>129,148,391</u>	<u>10,354,197</u>	<u>139,502,588</u>
Total Operating Expenses	1,580,664,730	37,756,216	1,618,420,946
Operating Return	348,105,557	17,144,476	365,250,034
Customer Growth	2,918,011	143,714	3,061,725
Int. on Customer Deposits	<u>(525,333)</u>	<u>-</u>	<u>(525,333)</u>
Total Income for Return	<u>350,498,236</u>	<u>17,288,191</u>	<u>367,786,426</u>
<u>ORIGINAL COST RATE BASE</u>			
Gross Plant in Service	6,715,179,336	63,372,982	6,778,552,318
Reserve for Deprec.	<u>2,337,102,135</u>	<u>22,593,928</u>	<u>2,359,696,063</u>
Net Plant	4,378,077,202	40,779,054	4,418,856,256
CWIP	354,530,713	(25,014,657)	329,516,056
Net Deferred/Credits	(109,405,516)	(341,640)	(109,747,156)
Accum. Def. Income Taxes	(575,293,169)		(575,293,169)
Materials & Supplies	270,020,310		270,020,310
Working Capital	<u>46,075,348</u>	<u>370,168</u>	<u>46,445,515</u>
Total Original Cost Rate Base	<u>4,364,004,888</u>	<u>15,792,925</u>	<u>4,379,797,812</u>
 RATE OF RETURN	 8.03%		 8.40%
RETURN ON EQUITY	9.57%		10.26%

RECEIVED
 2008 JUN 13 PM 3:19
 SC PUBLIC SERVICE
 COMMISSION

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
ANNUALIZED INTEREST EXPENSE**

TWELVE MONTHS ENDED March 31, 2008

RATE BASE	\$ 4,544,700,724
LONG-TERM DEBT RATIO	<u>43.73%</u>
AVERAGE COST OF DEBT	\$ 1,987,397,627
	<u>6.21%</u>
ANNUALIZED INTEREST	\$ 123,417,393
TAX BOOK INTEREST	<u>\$ 121,621,911</u>
INTEREST ADJUSTMENT	<u>\$ 1,795,482</u>
ADJUSTMENT TO INCOME TAXES:	
STATE INCOME TAX @ 5%	\$ (89,774)
FEDERAL INCOME TAX @ 35%	<u>\$ (596,998)</u>
TOTAL INCOME TAX EFFECT	\$ (686,772)
RETAIL ELECTRIC RATE BASE PERCENTAGE	<u>96.26%</u>
	<u>\$ (661,109)</u>

SOUTH CAROLINA ELECTRIC & GAS COMPANY
PLANT IN SERVICE, CONSTRUCTION WORK IN PROGRESS, AND RESERVE FOR DEPRECIATION

AT March 31, 2008

	TOTAL PER BOOKS ADJ. FOR REGULATORY <u>ORDERS</u> \$	<u>RATIOS</u> %	ALLOCATED <u>TO RETAIL</u> \$
<u>ELECTRIC PLANT IN SERVICE</u>			
Production	\$ 3,589,747,095	94.36%	\$ 3,387,285,359
Transmission	\$ 698,240,467	94.08%	\$ 656,925,579
Distribution	\$ 2,200,038,237	99.98%	\$ 2,199,620,230
General	\$ 176,281,122	96.15%	\$ 169,490,590
Intangible	\$ 69,510,357	96.15%	\$ 66,832,746
Common	<u>\$ 244,440,953</u>	96.15%	<u>\$ 235,024,834</u>
TOTAL	<u>\$ 6,978,258,230</u>		<u>\$ 6,715,179,336</u>
<u>CONSTRUCTION WORK IN PROGRESS</u>			
Production	\$ 232,963,820	94.36%	\$ 219,824,660
Transmission	\$ 59,113,468	94.08%	\$ 55,615,724
Distribution	\$ 51,558,091	99.98%	\$ 51,548,295
General	\$ 10,387,524	96.15%	\$ 9,987,386
Intangible	\$ 3,746,072	96.15%	\$ 3,601,769
Common	<u>\$ 14,511,891</u>	96.15%	<u>\$ 13,952,878</u>
TOTAL	<u>\$ 372,280,867</u>		<u>\$ 354,530,713</u>
<u>RESERVE FOR DEPRECIATION</u>			
Production	\$ 1,310,444,492	94.36%	\$ 1,236,535,423
Transmission	\$ 219,321,072	94.09%	\$ 206,361,390
Distribution	\$ 706,839,768	99.98%	\$ 706,705,468
General	\$ 106,339,183	96.15%	\$ 102,242,887
Common	<u>\$ 88,672,732</u>	96.15%	<u>\$ 85,256,966</u>
TOTAL	<u>\$ 2,431,617,247</u>		<u>\$ 2,337,102,135</u>

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
RETAIL ELECTRIC OPERATIONS**

AT March 31, 2008

<u>NET DEFERRED DEBITS/CREDITS</u>	<u>PER BOOKS ADJ. FOR REGULATORY ORDERS</u>	<u>ACCOUNTING & PRO FORMA ADJUSTMENTS</u>	<u>TOTAL AS ADJUSTED</u>
Environmental	(82,319)	-	(82,319)
FASB 106 Rate Base Reduction	(76,885,276)	(341,640)	(77,226,915)
Major Maintenance Accrual	(1,680,733)	-	(1,680,733)
Storm Reserve	<u>(30,757,188)</u>	<u>-</u>	<u>(30,757,188)</u>
TOTAL	<u>(109,405,516)</u>	<u>(341,640)</u>	<u>(109,747,156)</u>

MATERIALS & SUPPLIES

Nuclear Fuel	66,470,954	-	66,470,954
Fossil Fuel	110,911,669	-	110,911,669
Other Materials & Supplies	<u>92,637,686</u>	<u>-</u>	<u>92,637,686</u>
TOTAL	<u>270,020,310</u>	<u>-</u>	<u>270,020,310</u>

WORKING CAPITAL, OTHER THAN MATERIALS & SUPPLIES

Working Cash	113,573,896	370,168	113,944,063
Prepayments	<u>39,362,332</u>	<u>-</u>	<u>39,362,332</u>
Total Investor Advanced Funds	152,936,228	370,168	153,306,395
Less: Customer Deposits	(27,560,627)	-	(27,560,627)
Average Tax Accruals	(68,888,343)	-	(68,888,343)
Nuclear Refueling	(5,525,499)	-	(5,525,499)
Injuries & Damages	<u>(4,886,411)</u>	<u>-</u>	<u>(4,886,411)</u>
TOTAL WORKING CAPITAL	<u>46,075,348</u>	<u>370,168</u>	<u>46,445,515</u>

SOUTH CAROLINA ELECTRIC & GAS COMPANY
ACCOUNTING & PRO FORMA ADJUSTMENTS
TOTAL ELECTRIC
OPERATING EXPERIENCE
TWELVE MONTHS ENDED
March 31, 2008

ADJ. #	DESCRIPTION	REVENUES	O & M EXPENSES	DEPREC. & AMORT. EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM. DEPREC.	CWIP	DEF. DEBITS/ CREDITS & PAYABLES	WORKING CASH
1	ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES											
A)	ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES		4,069,233		288,745	(217,899)	(1,449,028)					508,654
B)	INCENTIVE PAY		(6,013,228)		(376,983)	319,511	2,124,745					(751,654)
2	PENSION & HEALTH CARE RELATED ADJUSTMENTS											
A)	PENSION INCOME		1,220,908			(61,045)	(405,952)					152,614
B)	OTHER POST EMPLOYMENT BENEFITS		575,494			(28,775)	(191,352)				(355,368)	71,937
C)	HEALTH CARE		(162,009)			8,100	53,868					(20,251)
3	ELIMINATE EMPLOYEE CLUBS INVESTMENT & EXPENSES		(322,674)	(177,324)	7,481,867	(374,093)	(2,487,721)	(4,772,604)	(1,284,103)	(1,761)		(40,334)
4	ADJUST PROPERTY TAXES					25,000	166,249					
5	SALUDA DAM REMEDIATION PROJECT**			1,201,676		(60,084)	(399,557)	69,864,905	1,201,676			
6A	PROPERTY RETIREMENTS					-	-	(120,199)	(120,199)			
6B	REMOVE CWIP ASSOCIATED WITH NEW NUCLEAR GENERATION									(24,226,557)		
7	ANNUALIZED DEPRECIATION			23,693,196		(1,184,680)	(7,877,988)		23,693,196			
8	CWIP					-	-	2,157,064		(2,157,064)		
9	TAX EFFECT OF ANNUALIZED INTEREST					(23,481)	(156,152)					(65,462)
10	REAGENT EXPENSES		(523,698)			26,185	174,130					
11	CALPINE SETTLEMENT		3,985,740			(199,287)	(1,325,259)					498,218
12	CANCELLATION / TERMINATION FEES	(306,479)			(1,405)	(15,254)	(101,437)					
13	ANNUALIZE INSURANCE EXPENSE		(189,024)			9,451	62,850					(23,628)
14	NONRECURRING WELD OVERLAY		524,791			(26,240)	(174,493)					65,599
15	PURCHASED POWER			(6,404,516)		320,226	2,129,502					
16	COLUMBIA CANAL	(619,667)			(2,841)	(30,841)	(205,095)					
17	NCEMC - 100 MW CONTRACT & RELATED ADJUSTMENTS	(5,768,577)			(26,449)	(287,106)	(1,909,258)					
18	FRANCHISE FEES - UNBILLED REVENUE	(1,724,750)			(7,908)	(85,842)	(570,850)					
19	REVENUE ADJUSTMENT FOR RATE INCREASE	62,988,954				3,149,448	20,943,827					
	TOTAL ADJUSTMENTS	54,569,481	3,165,533	18,313,032	7,355,026	1,263,313	8,401,032	67,129,166	23,490,570	(26,385,382)	(355,368)	395,692

** Included in anticipation of review in a future rate proceeding.

SOUTH CAROLINA ELECTRIC & GAS COMPANY
ACCOUNTING & PRO FORMA ADJUSTMENTS
RETAIL ELECTRIC
OPERATING EXPERIENCE
TWELVE MONTHS ENDED
March 31, 2008

ADJ. #	DESCRIPTION	REVENUES	O & M EXPENSES	DEPREC. & AMORT EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM. DEPREC.	CWIP	DEF. DEBITS/ CREDITS & PAYABLES	WORKING CASH
1	ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES											
	A) ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES		3,912,040		277,591	(209,482)	(1,393,052)					489,005
	B) INCENTIVE PAY		(5,780,939)		(362,420)	307,168	2,042,667					(722,617)
2	PENSION & HEALTH CARE RELATED ADJUSTMENTS											
	A) PENSION INCOME		1,173,745			(58,687)	(390,270)					146,718
	B) OTHER POST EMPLOYMENT BENEFITS		553,263			(27,663)	(183,960)				(341,640)	69,158
	C) HEALTH CARE		(155,751)			7,788	51,787					(19,469)
3	ELIMINATE EMPLOYEE CLUBS INVESTMENT & EXPENSES		(310,209)	(170,493)		24,035	159,834	(4,588,758)	(1,234,638)	(1,693)		(38,776)
4	ADJUST PROPERTY TAXES				7,193,658	(359,683)	(2,391,891)					
5	SALUDA DAM REMEDIATION PROJECT**			1,133,902		(56,695)	(377,022)	65,924,524	1,133,902	(115,569)		
6A	PROPERTY RETIREMENTS					-	-	(115,569)	(115,569)			
6B	REMOVE CWIP ASSOCIATED WITH NEW NUCLEAR GENERATION									(22,860,179)		
7	ANNUALIZED DEPRECIATION			22,810,233		(1,140,512)	(7,584,402)		22,810,233			
8	CWIP					-	-	2,152,785		(2,152,785)		
9	TAX EFFECT OF ANNUALIZED INTEREST					(21,444)	(142,602)					(61,770)
10	REAGENT EXPENSES		(494,161)			24,708	164,309					468,738
11	CALPINE SETTLEMENT		3,749,904			(187,495)	(1,246,843)					
12	CANCELLATION / TERMINATION FEES	(306,479)			(1,405)	(15,254)	(101,437)					
13	ANNUALIZE INSURANCE EXPENSE		(161,743)			9,087	50,429					(22,718)
14	NONRECURRING WELD OVERLAY		495,193			(24,760)	(164,652)					61,899
15	PURCHASED POWER			(6,404,516)		320,226	2,129,502					
16	COLUMBIA CANAL		(619,667)		(2,841)	(30,841)	(205,095)					
17	NCMC - 100 MW CONTRACT & RELATED ADJUSTMENTS		(5,488,556)		(25,427)	(273,156)	(1,816,490)					
18	FRANCHISE FEES - UNBILLED REVENUE		(1,673,559)		(7,603)	(83,298)	(553,931)					
19	REVENUE ADJUSTMENT FOR RATE INCREASE	62,988,954				3,149,448	20,943,827					
	TOTAL ADJUSTMENTS	54,900,692	2,961,341	17,369,126	7,071,553	1,353,490	9,000,707	63,372,982	22,593,928	(25,014,657)	(341,640)	370,168

** Included in anticipation of review in a future rate proceeding.

SOUTH CAROLINA ELECTRIC & GAS COMPANY
CAPITAL STRUCTURE
AT March 31, 2008

<u>RETAIL ELECTRIC</u>	<u>CAPITALIZATION</u>	<u>RATIO</u>	<u>EMBEDDED</u>	<u>OVERALL</u>
	\$	%	COST/RATE	COST/RATE
			%	%
LONG-TERM DEBT **	2,211,488,400	43.73	6.21	2.72
PREFERRED STOCK	114,158,800	2.26	6.42	0.14
COMMON EQUITY***	<u>2,731,385,093</u>	<u>54.01</u>	10.26	<u>5.54</u>
TOTAL	<u>5,057,032,293</u>	<u>100.00</u>		<u>8.40</u>

** Includes additional \$140,000,000 of Long-Term Debt to be issued in 2008.

*** Includes additional \$83,000,000 in Equity to be issued in 2008.

**SOUTH CAROLINA ELECTRIC AND GAS COMPANY
EARNINGS PER SHARE**

Earnings per share are calculated based on average shares outstanding of Parent Company, SCANA Corporation and Companies, and represent South Carolina Electric & Gas Company's contribution to the Parent's overall earnings.

TWELVE MONTHS ENDED March 31, 2008

NET INCOME AFTER DIV. OF PREF. STOCK	\$259,290,253
EARNINGS PER SHARE	\$2.22
AVG. NUMBER OF SHARES OUTSTANDING	116,665,894

SOUTH CAROLINA ELECTRIC & GAS COMPANY
 RATIO OF EARNINGS TO FIXED CHARGES ¹
 TWELVE MONTHS ENDED March 31, 2008

LINE NO.		\$000's
1	EARNINGS	
2	Net Income	402,644
3	Losses from Equity Investees	13,538
4	Total Fixed Charges, As Below	<u>149,201</u>
5	TOTAL EARNINGS	<u>565,383</u>
6	FIXED CHARGES	
7	Interest on Long-Term Debt	117,534
8	Other Interest	23,036
9	Amort. Of Debt Prem. - Discount & Exp. (Net)	3,323
10	Rental Int. Portion	5,308
11	Distribution on Trust Preferred	<u>-</u>
12	TOTAL FIXED CHARGES	149,201
13	Pre-tax earnings required to pay Preference Security Dividend	<u>11,741</u>
14	Total Fixed Charges and Preference Security Dividend	<u>160,942</u>
15	RATIO OF EARNINGS TO FIXED CHARGES	3.51
16	¹ - SEC COVERAGE	